



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 19, 1993

Mr. R. Jay Marshall, Chief Engineer
Genwal Coal Company
P. O. Box 1201
Huntington, Utah 84528

Dear Mr. Marshall:

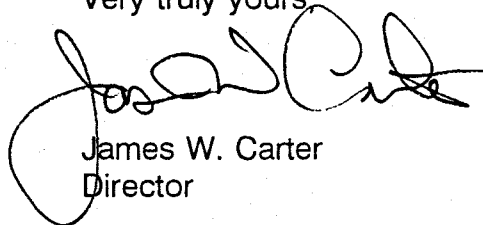
Re: Revised State Permit and Decision Package, Genwal Coal Company, Crandall Canyon Mine, ACT/015/032, Folder #2, Emery County, Utah

Enclosed is a renewed permanent program mining permit for the Crandall Canyon Mine. The expiration date for this permit is May 13, 1998, five years from the expiration date of your most recent permit. Also included is a copy of the State's Decision Document for the permit renewal and a Division Order requiring correction of outstanding deficiencies in your MRP.

Please note that two copies of the permit are included. Please read the permit to be sure you understand the requirements of the permit and conditions, then sign both copies and return one to the Division.

Your cooperation during the permitting process is appreciated.

Very truly yours,



James W. Carter
Director

Enclosures

cc: R. Dawes, OSM, Denver
R. Hagen, OSM, Albuquerque
S. Demczak, DOGM, PFO
"B" Team
CRANPERM.PER



UTAH DIVISION OF OIL, GAS & MINING
STATE DECISION DOCUMENT
for
PERMIT RENEWAL

Genwal Coal Company
Crandall Canyon Mine
ACT/015/032

May 19, 1993

CONTENTS:

- * Administrative Overview
- * Location Map
- * Permitting Chronology
- * Mine Plan Information Form
- * Findings
- * Public Notice
- * List of Technical Deficiencies Identified During Renewal Review
- * Letters of Concurrence and Consultation

Division of State Lands and Forestry, April 15, 1993

Resource Development Coordinating Committee, May 6, 1993

U. S. Fish and Wildlife Service, May 3, 1993

Memo from Joseph C. Helfrich--Section 510 (c) Finding, May 19, 1993

- * Renewed Permit with Division Order

ADMINISTRATIVE OVERVIEW

Genwal Coal Company, Inc.
Crandall Canyon Mine
Five Year Permit Renewal
ACT/015/032
Emery County, Utah

May 19, 1993

BACKGROUND

Genwal Coal Company, Inc. (Genwal) has made application to the Division of Oil Gas and Mining for a five-year permit renewal for the Crandall Canyon Mine. This renewal encompasses the same permit area and disturbance as currently approved in the June 14, 1989 Renewal and subsequent July 27, 1989, August 8, 1990 and April 4, 1991 Revisions.

The Mining and Reclamation Plan for the Crandall Canyon Mine, Tract 1, was approved by the Office of Surface Mining in November of 1982 and by the Division of Oil, Gas, and Mining (DOGM) on May 13, 1983. The originally approved MRP consisted of an 80 acre federal lease (SL-062648, Tract 1), a 1.5 acre U.S. Forest Service special use area, and a 1.7 acre fee lease. On February 12, 1987 Genwal was issued a permit from DOGM to add Tract 2 of Lease SL-062648 to the permit area, containing 75.23 acres.

In December of 1986, Genwal was issued federal lease U-54762, containing 256.49 acres. In February of 1988, Genwal submitted a new MRP document in partial fulfillment of requirements for permit renewal. The renewal was subsequently approved on June 14, 1989. This new MRP contained information pertaining to the addition of lease U-54762 to the permit area. A revised state permit which included lease U-54762 was issued on July 31, 1989.

On August 8, 1990, Genwal Coal Company was issued a revised permit which authorized mining a parcel of coal known as the "Right-of-Way". This right-of-way, consisting of 111.5 acres, is not leased but only allows access to two adjoining state leases, ML-21568 and ML-21569. Authorization to mine the state coal leases was given on April 22, 1991 when the permit was again revised to incorporate the leases. The state coal leases are 998 and 640 acres in size and are accessed via the original portals in the Hiawatha coal seam. With the addition of the state leases the total permitted area consists of 2165.42 acres.

Currently the Crandall Canyon Mine consists of room and pillar operations in the Hiawatha seam. At this time, Genwal Coal Company proposes to renew the permit for an additional 5 year term.

ISSUES

Genwal Coal Company has reformatted their Mining and Reclamation Plan to conform to the new R645 coal mining regulations. This reformatted plan was submitted as part of the application for renewal. The Division's review of the plan identified a number of technical deficiencies which require correction. A Division Order has been issued which requires further refinement of the MRP. The reformatted MRP is being accepted only to the extent that it updates and replaces previously approved information and plans. No new proposals are being approved with this renewal.

Three letters of comment were received during the public comment period. One from Southeastern Utah Association of Local Governments, one from Huntington-Cleveland Irrigation Company and one from Castle Valley Special Service District. All three of these letters raised concerns about the effect mining is having on the springs and water resources in the Huntington drainage. Each of the entities was contacted by phone and in every case it was stated that the comments were made only to increase awareness of the water situation and improve communication between the mines and the water users and that they did not intend to block the renewal. Each was asked if a hearing was requested or wanted and each indicated that a hearing was not wanted.

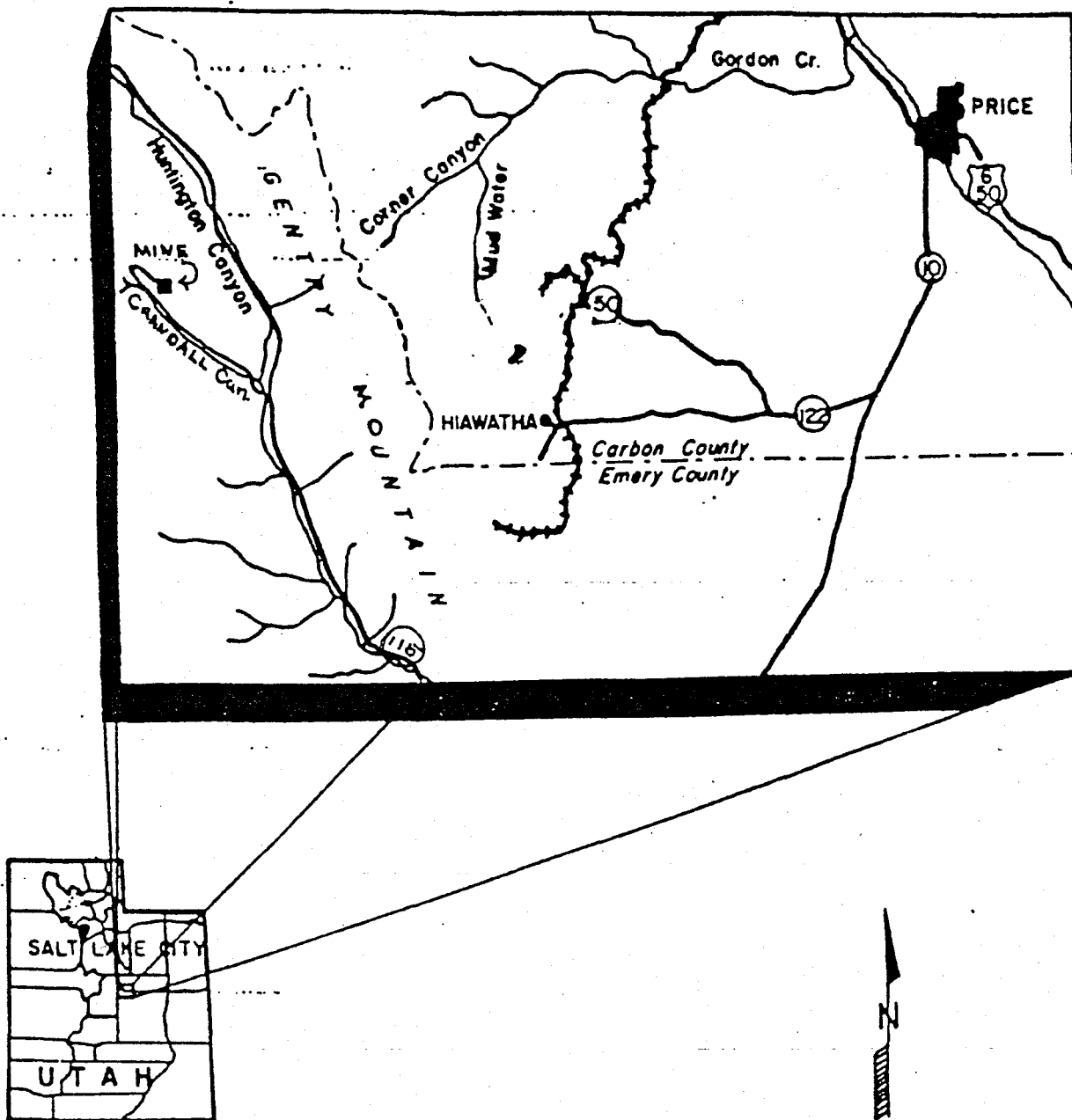
The Division reevaluated the hydrologic review of the area and determined that the existing CHIA is still valid and adverse impacts to hydrologic resources is unlikely. However, the collection of additional information on Little Bear Canyon Spring is warranted and requirements to supply additional Probable Hydrologic Consequences (PHC) information are included in the Division Order.

ANALYSIS

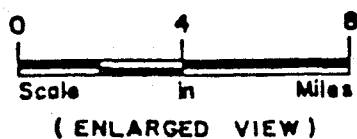
No additional permit area or surface disturbance is proposed or is approved with this permit renewal. No changes of importance have occurred since the approval of the last permit revision on April 4, 1991. Therefore it is DOGM's opinion that the mining and reclamation practices and procedures which were approved in the June 14, 1989 permit renewal, the July 27, 1989, August 8, 1990, and April 22, 1991 revisions are acceptable during the next five-year renewal period.

RECOMMENDATION

Genwal has demonstrated that mining of the Crandall Canyon Mine can be done in conformance with the Surface Mining Control and Reclamation Act, and the corresponding Utah Act and Performance Standards. All issues raised during the review process, which are pertinent to the term of the renewal, have been resolved or will be attached as conditions to permit approval by Division Order. It is therefore recommended that approval for permit renewal be granted based on the newly submitted MRP, a review of the current permit including all conditions, amendments and revisions approved to date; and conformance with criteria for approval of permit renewal applications (R645-303-230 thru 235) (see attached Permit Renewal Findings document).



1-1
Location Map
Feb. 10, 1988



LOCATION MAP
Genwal Coal Company
Crandall Canyon Mine
Emery County, Utah

FIGURE 1

PERMITTING CHRONOLOGY

Genwal Coal Company, Inc.
Crandall Canyon Mine
Permit Renewal
ACT/015/032
Emery County, Utah

May 19, 1993

- | | |
|----------------------------|---|
| 1/12/93 | Division of Oil, Gas and Mining (DOGM) receives Genwal Coal Company's application for a permit renewal, consisting of an updated Mining and Reclamation Plan formatted to the new R645 Regulations. |
| 3/17/93 | DOGM determines application to be administratively complete for publication purposes. |
| 3/22/93 | DOGM notifies other agencies of Genwal's intent to renew the Crandall Canyon Permit for an additional 5 year term. |
| 3/23/93
thru
4/13/93 | Genwal publishes notice of a complete application for permit renewal weekly for four consecutive weeks in the <u>Sun Advocate</u> . |
| 4/7/93 | DOGM submits copies of New MRP to other agencies for review. |
| 5/13/93 | Public comment period ends with comments received from three entities. |
| 5/19/93 | DOGM issues state Decision Document, revised permit, effective 5/14/93. |

MINE PLAN INFORMATION

Mine Name: Crandall Canyon Mine State ID: ACT/015/032
Operator: Genwal Coal Company County: Emery
Controlled By: Nevada Electric Investment Co.
Contact Person(s): R. Jay Marshall Position: Chief Engineer
Telephone: 687-9813

New/Existing: Existing Mining Method: Underground-room and pillar

Federal Lease No(s): U-54762; SL-062648

Legal Description(s): U-54762: T. 15S., R. 7E. Section 31: SE 1/4 SE 1/4,
Section 32: S 1/2 SW 1/4, SW 1/4 SE 1/4; T.16S, R.7E. Section 5:
Lots 2, 3, and 8; SL-062648: T. 16S., R. 7E. Section 5: SW 1/4 NW 1/4, Lot 4,
Section 6: SE 1/4 NE 1/4, Lot 1

State Lease No(s): ML-21568; ML-21569

Legal Description(s): ML-21568: T. 16S., R 6E. Section 2
ML-21569: T. 15S., R. 6E. Section 36

Other (identify): Forest Service Special Use Right-of-Way

Legal Description(s): T.15 S., R.7 E., Emery County, Utah
Section 31: Lots 10, 11, and 12

Ownership Data:

<u>Surface Resources (acres)</u>	<u>Existing Permit Area</u>	<u>Proposed Permit Area</u>	<u>Total Life Of Mine Area</u>
Federal	<u>525.72</u>	<u> </u>	<u>525.72</u>
State	<u>1638</u>	<u> </u>	<u>1638</u>
Private	<u>1.7</u>	<u> </u>	<u>1.7</u>
Other	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>2165.42</u>	<u> </u>	<u>2165.42</u>

Coal Ownership (acres):

Federal	<u>523.22</u>	<u> </u>	<u>523.22</u>
State	<u>1638</u>	<u> </u>	<u>1638</u>
Private	<u> </u>	<u> </u>	<u> </u>
Other	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>2161.22</u>	<u> </u>	<u>2161.22</u>

<u>Coal Resource Data</u>	<u>Total Reserves (1981)</u>	<u>Total Recoverable Reserves (1981)</u>
Federal	<u>4.29 million</u>	<u>1.95 million</u>
State	<u>18 million</u>	<u>8 million</u>
Private	<u> </u>	<u> </u>
Other	<u> </u>	<u> </u>
TOTAL	<u>22.29 million</u>	<u>9.95 million</u>

Recoverable Reserve Data			
	Name	Thickness	Depth
Seam	Hiawatha	7' max.	400'
Seam			
Seam			
Seam			
Seam			
Seam			

Mine Life: 8 years +
Average Annual Production: 1,500,000 Percent Recovery: ?
Date Projected Annual Rate Reached: 1993
Date Production Begins: 1983 Date Production Ends: 1999
Reserves Recoverable By: (1) Surface Mining: _____
(2) Underground Mining: XX
Reserves Lost Through Management Decisions: Pillars left in Right-of-Way, Barrier Pillars left to prevent subsidence beneath perennial stream or on Forest Service Property

Coal Market: Unknown

Modifications that have been approved:

Date:

Tract 2 Permit Approval

New lease U-54762 approved, revised permit issued

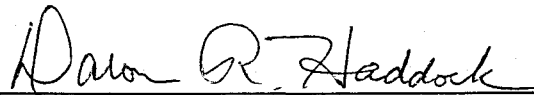
Right-of-Way approved

Leases ML-21568 and ML-21569 approved

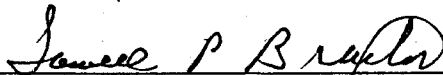
Feb. 12, 1987
Mar. 7, 1989
Aug. 8, 1990
April 4, 1991

FINDINGS
Crandall Canyon Mine
Permit Renewal
ACT/015/032
Emery County, Utah
May 19, 1993

1. The permit renewal term will not exceed the original permit term of five years (R645-303-234).
2. The terms and conditions of the existing permit are being satisfactorily met (R645-303-233.110).
3. The present underground coal mining activities are in compliance with the environmental protection standards of the Act and the Utah State Program (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program (R645-303-233.130).
5. The Operator has provided evidence of having liability insurance (R645-303-233.140).
6. The Operator's current reclamation surety, which will remain in full effect for the additional permit period, is considered adequate for processing this renewal. No additional surface disturbances are approved or contemplated with this renewal (R645-303-233.150). In conjunction with this renewal the permittee has provided updated maps and design information which the Division will evaluate as to their effect on the current bond amount. If an adjustment to the bond amount is warranted as a result of that evaluation, procedures provided for in R645-301-830.400 will be followed.
7. The Operator has submitted all updated information as required by the Division at this time (R645-233.160). A technical deficiency review has been conducted and all remaining technical deficiencies are the subject of a Division Order requiring their correction.



Permit Supervisor



Associate Director, Mining


Director

PUBLIC NOTICE FOR LEASE PERMIT APPLICATION
-CRANDALL CANYON No. 1 MINE
GENWAL COAL COMPANY
P.O. BOX 1201
HUNTINGTON, UTAH 84528

Genwal Coal Company, P.O. Box 1201, 195 North 100 West, Huntington, Utah 84528, a subsidiary owned jointly by Intermountain Power Authority and Nevada Power Investment Corporation, has filed with the Utah Division of Oil, Gas and Mining, an application for renewal of its Mining and Reclamation Plan Permit, ACT/015/032, for its Crandall Canyon No. 1 Mine. The Crandall Canyon No. 1 coal mine is located in Crandall Canyon, 17 miles west of Huntington, Utah within the boundaries of the Manti LaSal National Forest. The permit area is described as follows:

Lease Identification	Description
Federal #U-54762	T.15S., R.7E., Section 31: SE $\frac{1}{4}$, SE $\frac{1}{4}$, SECTION 32: S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$
Federal #SL-062648	SECTION 5: Lots 2, 3, and 8. T.16S., R.7E., SECTION 5: SW $\frac{1}{4}$ NW $\frac{1}{4}$, Lot 4
U-66838	SECTION 6: SE $\frac{1}{4}$ NE $\frac{1}{4}$, Lot 1. Beginning at the SW Section corner of Section 31, T.15S., R.7E. thence 4607.5 ft. East, thence 1040.0 ft North, thence 4607.5 ft West thence 1040.0 ft. South to Point of Beginning. All of SECTION 2, T.16S., R.6E.
State ML-21568	All of SECTION 36, T.15S. R.6E.
State ML-21569	SECTION 5 T.16S. R.7E.: All that part of the N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ lying North of Crandall Creek.
Fee Lease	T.15S., R.7E. SECTION 31: Lots 10, 11 and 12.
Forest Service Special Use	T.15S. R.6E. SECTION 25: S $\frac{1}{4}$ S $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$.

The permit area is located on the Rilda Canyon, Utah, U.S. Geological Survey 7.5 minute quadrangle map.

The application was filed, and this notice is being published to comply with the Surface Mining Control and Reclamation Act of 1977 and State and Federal regulations promulgated pursuant to said act.

The application is available for public inspection at the Emery County Courthouse, Castle Dale, Utah and the Division of Oil, Gas and Mining, 355 West North Temple, #3 Triad Center, Suite 350, Salt Lake City, Utah.

Written comments, objections, or requests for informal conferences on the application may be submitted for State of Utah Department of Natural Resources, Division of Oil, Gas & Mining, 355 West North Temple, #3 Triad Center Suite 350, Salt Lake City, Utah 84180-1203.

Published in the Sun Advocate March 23, 30, April 6 and 13, 1993.